

Golf Operations Fact Sheet

Since the Golf Advisory Council meeting on January 12, 2006 a great deal of information about the City of San Diego's Golf Operation's Division has been disseminated throughout the community via emails, the media (print and electronic), letters to the editor (San Diego Union Tribune) and word-of-mouth. A major problem is that much of the information is not correct or based on facts. City staff has put together the following list of facts related to the Golf Operations and specifically the Five Year Business Plan in hopes to clarify and correct some of the rumors and mistakes about the Plan.

FACTS

- Mark Woodward and his staff gain nothing through their relationship with any of the golf stakeholders
- The City Golf Operations Staff cannot continue to ignore the fact that Balboa loses approximately \$800,000 annually
- Staff will continue to strictly enforce the rule of "No I.D. card, No Resident Rate"
- The agronomic (turf) conditions at Torrey Pines have improved dramatically over the past several months and will continue to do so over the next several years

Business Plan

Fees

- Charging weekend rates at Torrey Pines on Friday is a very common golf industry practice (see benchmarking information in the back of the 5 year plan)
- The golf course "buy out" may only happen once or twice per year, if at all and these days will be calculated as a part of the 70/30 resident/nonresident split
- The resident fees on the South Course only increase one dollar in each of the next three years, and when the resident fee increases to \$60 in 2010, they will still be substantially less than the fees of comparable golf courses at "2006 prices"
- The City cannot raise resident fees on the South Course until one year after the U.S. Open (except for minimal CPI increases) per the agreement with the Friends of Torrey Pines and the USGA; therefore, there is no violation of the agreement
- The Junior Monthly Ticket is increasing from \$10.00 to \$32.00 and is valid from Monday through Thursday for unlimited play in the afternoons
- The base resident fee is calculated to cover the operational and maintenance expenses only. The capital improvements at all facilities and the losses at Balboa are being funded by the non-resident fees
- The plan does not eliminate discounts for Juniors and Seniors at any complex
- The Lodge and Hilton pay non-resident rates plus a surcharge for their tee times from May through September

Golf Operations Fact Sheet

- The resident I.D. card has not increased in price for at least six years. It used to be a simple piece of paper and now is a plastic card with a picture on it. The cost to produce the card, materials and supplies and staff time have all increased over the past several years

Allocation

- The draft five year plan reduces rounds for the Lodge, the Hilton and Torrey Pines Club Corp, thus increasing rounds to the public
- The plan does not call for a reduction in tee times for the Men's Club at Torrey Pines. In fact the Men's Club gets approximately 60 days per year which is more than two and one half times the standard for other courses men's clubs in Southern California. By way of example, the largest Men's Club in So. California is at Industry Hills and they have 1500 members. This club only gets two days per month for their events and the average number of players per event is 90-100
- For the first time ever, the plan calls for a limitation on the number of golf tournaments that can be scheduled in each month, thus insuring public access
- In the past, Golf Operations has not done a good job of tracking and monitoring the 70/30 split for residents/nonresidents. We are implementing procedures to account for all rounds more efficiently
- The number one "take away" from the meeting that City Attorney Mike Aquirre had with the stakeholders was that everyone agreed that the City should pursue making the resale of the City's tee times illegal
- The tee time allocation recommendations are fair and equitable for all lessees in terms of the number to tee times and the fees paid
- The City will train and develop the appropriate staff to handle the "advance tee time" allocation

Benchmarking

- Benchmarking is a common tool used to compare facilities of a like nature. As part of the preparation for this business plan, benchmarking with comparable facilities is included. The 2001 Pricewaterhouse Coopers report was used as the baseline for comparable facilities. In addition, the Golf Advisory Council offered recommendations to be included. Golf Operations staff collected data via telephone conversations with the other facilities.

Capital Improvement Program

- All three golf complexes are included in the Capital Improvement Program
- There will be no major changes to the North Course during this five year plan. The North Course is not included in the 15 year Capital Improvement Program

Clubhouse

Golf Operations Fact Sheet

- The proposed clubhouse is for the benefit of the daily public golfer, not the pro shop, the Lodge or major golf tournaments
- The 18th green on the North Course will not be relocated unless and until the City Council approves the proposed Clubhouse project
- The proposed clubhouse construction costs for the building alone is approximately \$7 million. The additional cost are associated with the infrastructure improvements, the parking lot upgrades and increase paved parking, design and permit costs, and the construction of two new putting greens closer to the first tees. The total cost is approx. \$13 to \$14 million, not the \$30 million reported by the media
- Options for renovation of the existing clubhouse, as well as relocation of the building, were reviewed and discussed by the GAC, Natural Resources & Culture Committee, and City Council. Based on the cost information, and site planning issues, the City Council gave staff direction to pursue relocation of the clubhouse to the current location

Tournament Support Building

- The City is not giving away valuable land to the Century Club. The Century Club is proposing to build and pay for the Tournament Support Building (\$4 million). They will then donate it to the City and pay rent for their office space
- The Tournament Support Building has many public uses including space for the Men's and Women's Golf Clubs to have their own individual rooms for posting of handicaps and meetings etc., reservable meeting space for larger meetings, driving range ball dispensing for practice on the range

U.S. Open

- The USGA pays the City for lost revenue during the time that the Torrey Pines Golf Complex is being setup and used for the Open
- The USGA and the Friends of Torrey Pines are paying for the improvements to the South Course this spring in preparation for the Open (4 champ. Tees, leveled landing area on #18, a new bunker on #6)
- The USGA will pay to help restore the courses after the Open and repair any damage
- U.S. Open contracted was signed in 2002 and approved by the City Council

Community Input

- From 2003 through 2004 (two years), only three Golf Advisory Council Meeting's were held. Since Mark Woodward's arrival in February of 2005 there have been seven Golf Advisory Council meetings held. In addition, there have been ten other public meetings where the proposed clubhouse project was discussed

Golf Operations Fact Sheet

- The golf operations staff has been completely transparent about the tee time allocation process and all matters related to golf